

**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF:)
)
LIFELINE IMAGING, LLC) ADMINISTRATIVE ORDER
RICHARD E. KING, JR.) NO. CD 2005-0004
GERALD L. FRIEDE)
A. CHARLES HARRIS)
CANDICE LEWIS)
RANDY MORTON)
)

RESPONDENTS)

CEASE AND DESIST ORDER

The Alabama Securities Commission (“Commission”), having the power to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act, upon due consideration of the subject matter hereof, and having confirmed information of the offer and sale of securities into, within, or from the State of Alabama, has determined as follows:

RESPONDENTS

1. Lifeline Imagining, LLC (“Lifeline”) is represented to be a California corporation, with a business address of 2560 E. Chapman Avenue, Suite 157, Orange, CA 92869.
2. Richard E. King, Jr. (“King”) is represented to be a Beneficial Owner, Executive Officer, and Director of Lifeline, with a business address of 575 Anton Boulevard, Costa Mesa, CA 92626. At all times relevant to violations set forth herein, King acted as a securities agent of Lifeline.
3. Gerald L. Friede (“Friede”) is represented to be a Beneficial Owner and Executive Officer of Lifeline, with a business address of 575 Anton Boulevard, Costa Mesa, CA 92626. At all times relevant to violations set forth herein, Friede acted as a securities agent of Lifeline.

4. A. Charles Harris ("Harris") is represented to be an Executive Officer of Lifeline, with a business address of 575 Anton Boulevard, Costa Mesa, CA 92626. At all times relevant to violations set forth herein, Harris acted as a securities agent of Lifeline.

5. Candice Lewis ("Lewis") is represented to be a Promoter and General and/or Managing Partner of Lifeline, with a business address of 575 Anton Boulevard, Costa Mesa, CA 92626. At all times relevant to violations set forth herein, Lewis acted as a securities agent of Lifeline.

6. Randy Morton ("Morton") is represented to be a Promoter and General and/or Managing Partner of Lifeline, with a business address of 575 Anton Boulevard, Costa Mesa, CA 92626. At all times relevant to violations set forth herein, Morton acted as a securities agent of Lifeline.

STATEMENT OF FACTS

7. The Commission has received information from Alabama residents stating that Lifeline has solicited and/or sold unregistered securities in the State of Alabama to Alabama residents through "Cold Calls". The information received indicates that Lifeline representatives are offering Lifeline Imaging Unit Investment Partnership Ownership Certificates. Neither the Limited Partnership Agreement nor the Certificates indicate what percentage the investor's return will be.

8. Lifeline mailed, via U.S. Postal Service, Offering Materials to Alabama residents that indicated that Lifeline's primary business is detecting Coronary Artery Calcification providing it's customers with a diagnostic test which helps identify individuals at risk of cardiovascular disease prior to reaching advanced stages.

9. Interviews with the Alabama residents clearly indicate that Lifeline initiated the stated transactions and did not have a pre-existing business or personal relationship with the Alabama investors.

10. On January 4, 2000, the respondents submitted a notice filing pursuant to Regulation D, Rule 506, to the Alabama Securities Commission. Securities offered

pursuant to Rule 506 are “Covered Securities” as defined in the National Securities Markets Improvement Act of 1996, and therefore, are not subject to merit or disclosure review by the state of Alabama. The Form D, submitted with the notice filing, indicated that the offering would be made only to accredited investors.

11. On March 12, 2003, the office of the Kansas Securities Commissioner (“Kansas”) issued a Cease and Desist order against Lifeline that alleged that neither the security nor the respondents promoting it were properly registered. On June 3, 2003, Kansas issued a Consent Order to Lifeline resolving the Cease and Desist issued March 12, 2003.

CONCLUSIONS OF LAW

12. Regulation D, Rule 502(c) states: Limitation on manner of offering. Except as provided in 230.504(b) (1), neither the issuer nor any person acting on its behalf shall offer or sell the securities by any form of general solicitation.

13. Alabama investors were contacted by Lifeline representatives, as part of a telephone marketing scheme involving cold calling. Cold calling is considered a general solicitation when directed to non-accredited and unsophisticated investors.

14. Regulation D, Rule 502(b), specifies that the issuer must furnish specified written information to each non-accredited investor in a reasonable time prior to sale.

15. The Respondents failed to comply with all provisions relating to Rule 506 effectively voids the federal exemption and in turn the “covered security” status as afforded by NSMIA. Therefore, the Respondents are subject to all provisions of the Alabama Securities Act and the Registration/Exemption provisions contained therein.

16. Pursuant to Code of Alabama 1975, Section 8-6-4, it is unlawful for any person to offer or sell any security in this state unless: (1) It is registered under this article; (2) The security is exempt from registration under section 8-6-10; or (3) The transaction is exempt under section 8-6-11.

17. No application for registration or exemption has been received by the Commission staff concerning any offering of Lifeline's securities, except the void Rule 506 notice filing received by the Commission staff on January 4, 2000.

18. Lifeline is not registered as a securities dealer in the state of Alabama. Transacting business in the State of Alabama as a securities dealer while unregistered is a violation of § 8-6-3(a), Code of Alabama, 1975.

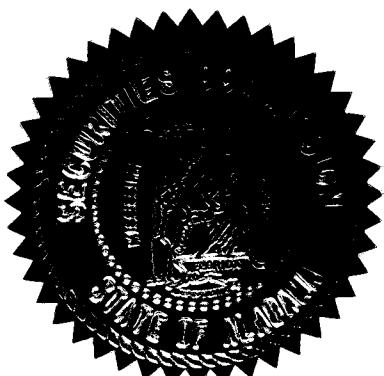
19. The securities of Lifeline being solicited by the representatives of Lifeline as set forth in paragraph 2 above are not registered, nor exempt from registration in the state of Alabama. The sale of unregistered, non-exempt securities into, within, or from the state of Alabama is a violation of § 8-6-4, Code of Alabama, 1975.

This Order does not prevent the Alabama Securities Commission from seeking such other civil or criminal remedies that are available to it under the Alabama Securities Act.

This Order is appropriate in the public interest for the protection of investors and consistent with the purpose of the Alabama Securities Act.

ACCORDINGLY, IT IS HEREBY ORDERED that, Lifeline and its' representatives **CEASE AND DESIST** from further offers or sales of any security into, within, or from the state of Alabama.

Entered at Montgomery, Alabama, this 2nd day of February, 2005



ALABAMA SECURITIES COMMISSION
770 Washington Street, Suite 570
Montgomery, Alabama 36130-4700

BY:

JOSEPH P. BORG
Director